

**DEPARTMENT OF HUMAN SERVICES
VETERANS' AFFAIRS
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999**

**DEPARTMENT OF ADMINISTRATION
BUREAU OF AUDITS
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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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Department of Human Services
Veterans' Affairs
PERFORMANCE AUDIT
Fiscal Year Ended June 30, 1999

EXECUTIVE SUMMARY

The Department of Human Services, Veterans' Affairs Program should ensure the Advisory Council and Annual Reports are in compliance with the statute. The program needs to strengthen internal controls over inventory, cash receipts, accounts receivable, and accounts payable. The implementation and use of an operations manual will aid in strengthening these controls. Management needs to assess the computer system needs of the Rhode Island Veterans' Home (RIVH), assign a System's Administrator to carry out the system's plan, and monitor the activities of consultants. These procedures should ensure that the system is providing the home with the necessary information to meet its overall objectives. The Department needs to clarify their policy for treating the sale of personal property as income. The deteriorating condition of the historic buildings on the RIVH grounds should be assessed and a plan developed for their disposition. The RIVH needs to take into consideration the dynamic changes in the nursing home environment and perform a periodic review to assess and evaluate the impact of available reimbursement systems.

DEPARTMENT OF HUMAN SERVICES
VETERANS' AFFAIRS
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

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July 17, 2000

Ms. Christine Ferguson, Director
Department of Human Services
600 New London Avenue
Cranston, RI 02920

Dear Ms. Ferguson:

We have completed our audit of the Department of Human Services, Veterans' Affairs Program for the fiscal year ended June 30, 1999. Our audit was conducted in accordance with Sections 35-7-3 and 35-7-4 of the General Laws of the State of Rhode Island.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of the report. Management's responses to our audit recommendations have also been included in our report.

In accordance with Section 35-7-4 of the General Laws, we will review the status of the Department of Human Services, Veteran's Affairs Program corrective action plan within 6 months from the date of issue of this report.

Sincerely,

Stephen M. Cooper, CFE, CGFM
Chief, Bureau of Audits

SMC:pb

DEPARTMENT OF HUMAN SERVICES
VETERANS' AFFAIRS
PERFORMANCE AUDIT
FISCAL YEAR ENDED JUNE 30, 1999

INTRODUCTION

Objectives, Scope, and Methodology

We conducted a performance audit of the Department of Human Services, Veterans' Affairs program for the fiscal year ended June 30, 1999. Our objectives were to determine if the program complied with state laws and regulations and were acquiring, protecting, and using its resources in an economical and efficient manner.

Our audit was made in accordance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. In conducting our audit, we evaluated the practices and procedures used by the division in administering its operations and financial matters. Our objective was to identify practices and procedures which could be improved or made more efficient. We also evaluated the internal control structure of the division, reviewed the eligibility of the program, and reviewed cash activities. To achieve our objectives, we reviewed relevant policies and procedures, state laws and regulations, interviewed responsible personnel, and performed tests of the accounting records and such auditing procedures as we considered necessary in the circumstances.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Section 35-7-4 (c) of the R.I. General Laws requires the auditee to respond in writing within 60 days to all recommendations made in the report. Management's response to our audit findings and recommendations were submitted on June 27, 2000 and are included in our report.

Background

Section 30, Chapter 24 of the R.I. General Laws established the Division of Veterans' Affairs. The Veterans' Affairs Program is comprised of the Rhode Island Veterans' Home (RIVH), the Rhode Island Veterans' Affairs Office, and the Rhode Island Veterans' Memorial Cemetery. The objective of the program is to improve the physical, emotional, and economic well being of Rhode Island Veterans.

The purpose of the RIVH is to provide quality nursing and domiciliary care to war service veterans who have been honorably discharged and have resided in the state at least two years prior to admission and/or were inducted into the military service from the State. The RIVH has an operational capacity of 260 nursing and 79 domiciliary beds.

The Rhode Island Veterans' Affairs Office provides social services to all veterans and their eligible dependents. The Office's primary function is to process all applications for admission to the RIVH. The Office verifies the eligibility of each applicant for admission and presents the information to the RIVH Admission Review Team for disposition.

The Rhode Island Veterans' Memorial Cemetery was established in May 1974 and provides a final resting-place for its veterans of the armed services of the United States. The cemetery is located on 265 acres in Exeter. During fiscal year 1998 there were 955 burials at the cemetery. The total number of interments is 13,378 with an additional 8,225 reservation graves being held.

DEPARTMENT OF HUMAN SERVICES
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NOTEWORTHY ACCOMPLISHMENTS

The Veterans' Home has made many noteworthy accomplishments and initiatives that should be noted.

- During the year under review, the Rhode Island Veterans' Home received a commendation from the Providence Veterans' Affairs Medical Center for its participation as part of a two-year study screening clients for infectious diseases/conditions.
- The Home now participates in the U.S. Department of Veterans' Affairs, "Aid and Attendance" Pharmaceuticals Reimbursement Program. The RIVH will be reimbursed for all pharmaceuticals ordered and dispensed to any resident who resides at the Home and meets eligibility requirements. Participation in this program results in a reduction of the RIVH's Pharmaceutical budget of approximately \$120,000.
- During fiscal year 1999, the Semi-Skilled Nursing Care Unit was changed to a new 36 beds Special Needs Unit specially designed for those members with a myriad of organic or dementia type diagnosis. This unit has allowed the RIVH to reduce its waiting list while specializing in the health care needs of veterans who suffer from disabling types of dementia while providing safety and comfort for them.
- The RIVH has set aside 22 beds for the Veterans Transitional Supportive Program. This is special short-term program focusing on different types of counseling, contract work therapy, education and a transition back into the community for homeless veterans. The RI Veterans Transitional Supportive Program has a successful transition rate of 64 percent compared to the U.S. Department of Veterans' Affairs rate of 37 percent.

DEPARTMENT OF HUMAN SERVICES
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FISCAL YEAR ENDED JUNE 30, 1999

FINDINGS AND RECOMMENDATIONS

Advisory Council

Our review on (date) indicated the status of the council required by Section 30-24-3 of the General Laws:

	<u>Required</u>	<u>Actual</u>	<u>Vacant</u>
Governor	12	11	1*
Speaker of the House	5	3	2
Senate Majority Leader	<u>2</u>	<u>2</u>	--
	<u>19</u>	<u>16</u>	<u>3</u>

*Franco American Seat

Recommendation

1. The Commandant for the Rhode Island Veterans' Home should advise the Governor and the Speaker of the House of Representatives of vacant appointments.

Management's Response: Accepted.

Annual Report

Section 30-17-9 of the Rhode Island General Laws states in part "The director of human services shall make an annual report to the general assembly...and shall render in the report a faithful account of all moneys received and expended by the director and by the division of community services in the execution of the provisions of this chapter..." Our review disclosed that although the report contained information regarding revenue sources and amounts, neither the total expenditures nor a break down of operation costs such as personnel, benefits, etc., were identified.

Recommendation

2. The present annual report should be extended to include expenditures by purpose.

Management's Response: Accepted.

Maintenance Fees

Upon admission to the Rhode Island Veterans' Home (RIVH) each individual files a financial statement to be used as the basis to establish the resident's charge. The net per diem expenses for maintenance of residents is based on a fee equal to 90 percent of the resident's net income. For this test, income is defined as monies derived from interest, dividends, insurance, and differ from resources such as property, cash, financial instruments, etc.

During our review we noted that management included the proceeds of the sale of property as income, which resulted in additional maintenance fees for 3 residents. The sale of property is not income but merely the conversion of one asset for another. Only investment income would result in reportable income as defined in the Administration Procedures for the Billing and Collection of Maintenance Fees promulgated by the RIVH. Management has taken the position that money earned from the appreciation value of the property sold was income for the month of the sale.

Recommendation

3. The RIVH should clarify the policy of treating the sale of personal property as income.

Management's Response: Partially accepted.

Deterioration of Historic Buildings

There are six late-19th Century buildings on the grounds of the RIVH that represent the historic resources of the original Rhode Island Soldiers' Home complex and a modern hospital facility that was constructed in four successive stages between 1955 and 1989. Based on our inspection of the property the historic buildings appear to be deteriorating. Slate roof tiles are missing or broken and are in need of immediate

attention. Improper water drainage has caused damage to a wooden porch, flooring, and structural supports. The exterior paint is worn off in some areas resulting in rotting of siding and other exterior wooden details. The buildings are not properly secured exposing the state to liability. In addition, the hazard of vacant property should be mitigated by following the procedures required by the State Building Code. There is a national register application pending for these buildings; however, as of this date we are unable to determine its status.

Recommendation

4. Management should ensure it is properly protecting and maintaining its present and future resources.

Management's Response: Accepted.

Medicare/Medicaid Issues

We noted that although the facility is licensed by the R.I. Department of Health as a nursing home, it is not Medicare/Medicaid certified. Management has advised us that the reason for not being Medicare/Medicaid certified at this time is that most of the nursing home's population is not medically eligible for Medicare/Medicaid reimbursement.

Effective January 2000, the Veterans' Administration (VA) is requiring all Veterans' Homes to adopt the new VA standards that mirror the Health Care Financing Administration (HCFA). This mirroring of standards is effectively the first step in achieving Medicare certification. The RIVH is awaiting further guidance on this issue from the Veterans Administration.

The RIVH must take into consideration changes in the health care environment and its effects on its nursing home operations. A major force in these changes is the Federal Veterans' Administration. The VA has made progress in transforming its health care delivery system away from its previous focus on in-patient care to an emphasis on out-patient care including long-term nursing home and psychiatric care. For example, VA evaluates and stabilizes nursing home patients and, when appropriate, transitions them to community environments, including their own home.

The challenges that face the RIVH nursing home operations are those issues concerning its existing infrastructure and other management implementation challenges. Management will be challenged to meet VA's expectations with a population that is mostly not medically eligible for reimbursement. Furthermore, the dynamic nursing home environment may impose a greater burden on the nursing home which will require further review and monitoring of reimbursement systems.

Recommendation

5. Management should be conscious of the dynamics taking place in the industry and perform a periodic review to assess and evaluate the impact of available reimbursement systems.

Management's Response: Accepted.

Operations Manual

Although procedures of the RIVH business office are subject to policies established and implemented by the Director of Administration and various statutes enacted by the General Assembly, no supplement to the Department of Administration's Procedural Handbook has been developed to delineate the processing of routine transactions. Established methods of initiating, recording, and processing transactions should be stated in writing to ensure that policies can be followed in an efficient and consistent manner. Written policies and procedures, which are developed and known by all employees, would increase efficiency and decrease conflict and uncertainty. An in-house operations manual would also aid in the training of new personnel and be an important reference source when key personnel are absent.

Recommendation

6. Develop a supplemental operations manual to the Department of Administration's Procedural Handbook.

Management's Response: Accepted.

Computer System's Administration

We reviewed the system's framework that defines the scope and boundaries of managing the RIVH's various systems. These systems include the pharmacy, patient

Minimum Data Set, the main business office, and the Cemetery. The computers are managed day to day by an on-site consultant working 20 hours per week. The Department of Administration, Office of Information Processing has assigned one person to oversee operations and the Department of Human Services assigns a programmer to provide assistance at the RIVH. Our review disclosed that there is no specific system's administrator nor is there a written plan or methodology to cover the allocation of responsibilities, task breakdown, budgeting of time and resources, or to check points and approvals. We also noted that the cemetery files are not backed up. There appears to be stopgap measures; however, these measures do not provide management with cost effective coordination and utilization of resources.

Recommendation

7. Management should develop a written system assessment, devise a plan, and assign a project manager to oversee the operations of both the RIVH and the Cemetery.

Management's Response: Accepted.

Equipment Inventory

Section E-11 of the State's Procedural Handbook requires each state department and agency to appoint a Property Control Officer whose function it is to work with the Office of Accounts and Control regarding all policy and accounting matters related to fixed assets. In addition, each state department and agency has the option to perform a physical inventory annually and maintain a record of all movable equipment with a value under 1,000. During our review of the records available, we noted that only the computer equipment was inventoried. Although physical inventories are not required to be taken for assets under \$1,000 the lack of such an inventory reduces the ability of the agency to safeguard assets and may cause the inefficient use of available equipment.

Recommendation

8. Ensure compliance with E-11 of the State's Procedural Handbook.

Management's Response: Accepted.

Perpetual Inventory Records

We attempted to determine if the RIVH had procedures establishing accountability for the various supplies purchased and that annual physical inventories were performed.

Nursing Supplies

Our review of the RIVH Pharmacy disclosed that although there is a system in place for inventorying and safeguarding drugs, there is no inventory system for the various over the counter nursing supplies used at the RIVH. These supplies are stacked on shelves and reordered when stock appears to be low.

Supplies

Various supplies are maintained in two stockrooms at the RIVH. One stockroom contains dietary items and the other contains housekeeping and medical supplies. Although the stockroom appears to be secured, dietary personnel have access to the stockroom on the weekends and there is no accountability for merchandise used. A perpetual inventory system was apparently set up at one time; however, present practices in the stockroom are such that we could not place any reliance on the records. There were many discrepancies between the physical count and the inventory records. From the information available to us, we determined that the last physical inventory was taken in 1992.

Recommendation

9. Develop and implement procedures for a perpetual inventory system and perform a physical inventory on an annual basis.

Management's Response: *Accepted.*

Cash Receipts

The RIVH business office receives revenue from various sources. Receipts are deposited in a checking account and a cash receipts journal is maintained to record daily transactions. Our review of procedures and controls over cash disclosed that although the business office performs a monthly reconciliation of the checking account

they do not reconcile the checking account to the controller's statement or to the cash receipts journal. We also noted that deposits are not made within 7 business days as required by RIGL 11-28-1.

The Rhode Island Veterans' Memorial Cemetery office maintains a checking account at the R.I. State Employees' Credit Union (RISECU) for the fees collected. Deposits are made to the checking account and a check is then written out to the General Treasurer for deposit into the state account at Fleet Bank. The checking account serves as a clearing account only. This process requires double handing of the receipts, which is time consuming. At the end of each month the RISECU processes a statement of account and sends it to the RIVH business office that in turn sends it to the Cemetery's business office. We were advised that neither business office reconciles the checking account.

Recommendations

10. Ensure compliance with RIGL 11-28-1.

Management's Response: Accepted.

11. Reconcile cash receipts journal to the controller's statement and checking account.

Management's Response: Accepted.

12. Explore the feasibility of closing out the checking account at the R.I. State Employees Credit Union for the Rhode Island Veterans' Memorial Cemetery and depositing fees directly to the state account.

Management's Response: Accepted.

Imprest Cash Funds

In accordance with Section A-15 of the State Procedural Handbook, any state agency may establish and maintain an imprest cash fund for the purpose of purchasing small general operating necessities, which cannot be administered economically and efficiently through customary procurement practices. The RIVH maintains two separate

imprest cash funds in the form of checking accounts. A \$2,000 checking account is used for the monthly reimbursement of routine purchases by indigent residents from the on-site variety store. The second checking account is in the amount of \$500; \$450 is used for routine operating expenses and \$50 is used as a permanent change fund for the cafeteria.

Our review disclosed:

- Disbursements from both funds for fiscal year 1999 totaled \$3,160;
- The funds were replenished on two to three month intervals rather than monthly as required;
- There was no receipt for the \$50 used by the cafeteria as a change fund.

Recommendations

13. Replenish the fund monthly.

Management's Response: Accepted.

14. Obtain a receipt from the appropriate person for funds advanced as a permanent change fund.

Management's Response: Accepted.

Accounts Receivable

Section A-16 of the State Procedural Handbook requires each state agency to submit their accounts receivable and collections to the Office of Accounts and Control. The agency is required to maintain detailed records of their accounts receivable and perform monthly reconciliation between the agency's records and the records maintained by the Office of Accounts and Control. In addition, the procedures require the agencies to follow certain collection and follow-up practices to obtain payment.

Our review of the system for accounts receivable disclosed that there is no reconciliation between the records at the RIVH and the Office of Accounts and Control. The RIVH does not aggressively pursue recovery of maintenance fee amounts owed by

deceased residents. The records indicated little, if any, follow-up was made to collect maintenance fees from deceased residents' estates.

Recommendation

15. Ensure compliance with A-16 of the State's Procedural Handbook.

Management's Response: Accepted.

Billing Procedure

Residents are billed on the first day of each month for the maintenance fee assessed for the prior month of residency. During our review we noted that the vast majority of accounts receivable resulted from balances owed by deceased or discharged residents. Collections of amounts owed by deceased residents are often untimely for a variety of reasons, primarily is the need for the decedent's estate to go through probate. As a result, the RIVH's claim for past due balances is often held up for months, if not years. This problem could be avoided through a change of policy. Rather than assess the maintenance fee for the prior month of residency, the RIVH could assess fees at the beginning of the month. In this way, upon the death of a particular resident, the RIVH could refund to the estate the resident's money representing the unused portion of the monthly fee. This new procedure could be implemented for new residents in the event that the implementation of this procedure would result in a hardship for current residents.

Recommendation

16. The RIVH should assess maintenance fees at the beginning of the month.

Management's Response: Accepted.

Independent Contractors

We reviewed the personnel files of various contract employees to ensure compliance with A-18 of the State Procedural Handbook as it applies to independent contractors as well as management's oversight in the areas of billable hours, professional licensure and insurance. Our review disclosed that invoices lacked Sufficient detail as to work performed. The invoice procedure as well as weekly attend-

dance reports should ensure appropriate approvals by the medical staff before processing by the business office. We also noted that neither personnel files nor professional licenses and liability insurance of health related providers were not current.

Recommendations

17. Invoices and weekly attendance reports should be approved before processing by the business office.

Management's Response: Accepted.

18. Invoices should include sufficient detail for approval and evaluation.

Management's Response: Accepted.

19. Ensure personnel files of contract employees contain evidence of current licenses and liability insurance.

Management's Response: Accepted.

Records Management

Each state agency is responsible for maintaining an active and continuous program for economical and efficient management of public records. Chapter 3-38 of the Rhode Island General Laws requires each state agency to prepare and submit record control schedules to the Records Center. The Offices of the Attorney General and the Auditor General shall then approve these schedules as to their legal and fiscal value.

Our examination disclosed that the RIVH does not have an effective records management program in place nor does it have a records retention schedule that has been approved by the Offices of the Attorney General and the Auditor General.

Recommendation

20. Ensure that RIVH maintains an ongoing records management program in accordance with the R.I. General Laws.

Management's Response: Accepted.

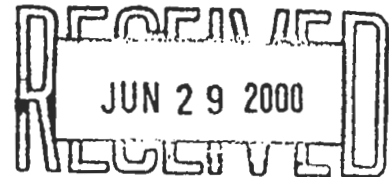
State of Rhode Island and Providence Plantations



DEPARTMENT OF HUMAN SERVICES
Office of the Director

June 27, 2000

BUREAU OF AUDITS



Mr. Stephen M. Cooper, CFE, CGFM
Chief, Bureau of Audits
Department of Administration
One Capitol Hill
Providence, RI

Dear Mr. Cooper:

We are in receipt of your draft audit report for the Department of Human Services, Veterans' Affairs, for the fiscal year ended June 30, 1999.

Attached you will find our responses and corrective action plan.

Sincerely,

Christine C. Ferguson
Director

/j/f

Enclosure

XC: Robert L. Carl, Jr., Ph.D.
Honorable Antonio J. Pires
Honorable J. Michael Lenihan

Recommendation Number 1 – The Commandant for the Rhode Island Veterans' Home should advise the Governor and the Speaker of the House of Representatives of vacant appointments.

Response: Accepted.

Corrective Action: A communication will be sent to both the Governor's office and the Speaker's office of the vacancies in their respective areas.

Completion Date: August 2000.

Recommendation Number 2 – The present annual report should be extended to include expenditures by purpose.

Response: Accepted.

Corrective Action: The FY 2000 Annual Report will provide expenditure information by totals, and by major areas of concern such as; Personnel, Benefits, etc.

Completion Date: December 2000.

Recommendation Number 3 – The RIVH should clarify the policy of treating the sale of personal property as income.

Response: Partially Accepted.

Corrective Action: The RIVH has always treated "appreciation of an asset" as income. This is not clear in "Section 103" of the "Administration Procedures for the Billing and Collection of Maintenance Fees at the Rhode Island Veterans Home" Manual. This entire section will be reviewed and re-written with an emphasis on clarity of purpose. When the re-write is finished it will be processed through the Administrative Procedures Act.

Completion Date: December 2000.

Recommendation Number 4 – Management should ensure it is properly protecting and maintaining its present and future resources.

Response: Accepted.

Corrective Action: The Assistant Commandants Residence and the Commandant's Residence have been secured by covering all windows with plywood, and by blocking access to the porches. The Department of Human Services will continue to proceed with plans to have both buildings condemned, with the eventual goal of demolishing them. Funding to preserve these structures has been very difficult to secure, and private groups

that have been interested in restoration have not been able to secure a funding source to assist them in this goal.

The Pump House had a major brickwork repair completed recently, as well as the Water Tower, which is currently undergoing major renovation.

Completion Date: Water Tower and Pump House, August 2000. Assistant Commandant's and Commandant's Residence has been secured since June 2000. Awaiting ruling on Condemnation of buildings by Spring 2001.

Recommendation Number 5 – Management should be conscious of the dynamics taking place in the industry and perform a periodic review to assess and evaluate the impact of available reimbursement systems.

Response: Accepted.

Corrective Action: Department of Human Services officials have examined the existing trends in Medicaid/Medicare reimbursement as well as maintain membership in two National Associations (National Association of State Directors of Veterans Affairs and the National Association of State Veterans Homes). The Department of Human Services agrees to conduct periodic reviews of the Medicaid/Medicare System and its implications for the Rhode Island Veterans Home.

Completion Date: Periodic reviews – on going.

Recommendation Number 6 – Develop a supplemental operations manual to the Department of Administration's Procedural Handbook.

Response: Accepted.

Corrective Action: A more complete Operations Manual will be developed by the Business Office personnel for use by these employees and be reviewed by the Assistant Administrator in charge of the fiscal responsibilities of the Home.

Completion Date: In process, December 2000.

Recommendation Number 7 – Management should develop a written system assessment, devise a plan, and assign a project manager to oversee the operations of both the RIVH and the Cemetery.

Response: Accepted.

Corrective Action: DHS has assigned the Information Systems official to oversee a master plan for expansion of computer services at both the Home and the Cemetery. In the future any system assessment, plan or evaluation of the existing system will be managed by this official.

Completion Date: March 2001.

Recommendation Number 8 – Ensure compliance with E-11 of the State's Procedural Handbook.

Response: Accepted.

Corrective Action: A plan will be developed to maintain proper inventory records according to E-11. A property control officer has been designated to oversee the inventory procedures. Some parts of this procedure have already been instituted, by involving nursing staff to inventory all equipment both fixed and moveable, on each nursing unit. The Home's computer consultant is working with Nursing, Stockroom and Pharmacy to purchase or develop a software system that will allow accurate inventory records and controls to be taken. Computers have been installed and software is being sought that will assist in the inventory tasks.

Completion Date: December 2000 and ongoing.

Recommendation Number 9 – Develop and implement procedures for a perpetual inventory system and perform a physical inventory on an annual basis.

Response: Accepted.

Corrective Action: A physical inventory was performed on June 27, 2000 and will be continued annually thereafter.

Completion Date: June 2000 and ongoing.

Recommendation Number 10 – Ensure compliance with RIGL 11-28-1.

Response: Accepted.

Corrective Action: All receipts are wired to State Fleet account on a weekly basis and receipt vouchers are processed weekly on all receipts collected except for maintenance fees, which are processed monthly.

Completion Date: June 2000.

Recommendation Number 11 – Reconcile cash receipts journal to the controller's statement and checking account.

Response: Accepted.

Corrective Action: Cash Receipts Journal is currently reconciled to the checking account and will be reconciled to the Controller.

Completion Date: June 2000.

Recommendation Number 12 – Explore the feasibility of closing out the checking account at the Rhode Island State Employees Credit Union for the Rhode Island Veterans' Memorial Cemetery and depositing fees directly to the state account.

Response: Accepted.

Corrective Action: All fees will be deposited in the State Fleet account.

Completion Date: June 2000.

Recommendation Number 13 – Replenish the fund monthly.

Response: Accepted.

Corrective Action: These accounts will be replenished on a monthly basis.

Completion Date: June 2000.

Recommendation Number 14 – Obtain a receipt from the appropriate person for funds advanced as a permanent change fund.

Response: Accepted.

Corrective Action: The Custodian will obtain receipts for all funds disbursed.

Completion Date: June 2000.

Recommendation Number 15 – Ensure compliance with A-16 of the State's Procedural Handbook.

Response: Accepted.

Corrective Action: The R.I. Veterans Home will continue to pursue monies owed on overdue accounts. The Business Office will follow A-16 procedure established by the State Controller.

Completion Date: On-going.

Recommendation Number 16 – The RIVH should assess maintenance fees at the beginning of the month.

Response: Accepted.

Corrective Action: During FY 2001 all residents will be converted to billing at the beginning of each month.

Completion Date: July 2001.

Recommendation Number 17 – Invoices and weekly attendance reports should be approved before processing by the business office.

Response: Accepted.

Corrective Action: A uniform policy and procedure will be established whereby all Contractor time sheets are approved by the Director of Nursing and/or Administration before submission to the business office.

Completion Date: June 2000.

Recommendation Number 18 – Invoices should include sufficient detail for approval and evaluation.

Response: Accepted.

Corrective Action: Invoices already include hours worked on site, and/or resident seen.

Completion Date: June 2000.

Recommendation Number 19 – Ensure personnel files of contract employees contain evidence of current licenses and liability insurance.

Response: Accepted.

Corrective Action: In FY 1999, RIVH had copies of all Medical Contracts. This will be verified annually by the Nursing Department, along with all other licenses that are currently on file. When future contracts are bid, one of the specifications will be that the contractor has to provide licenses and proof of liability insurance annually. For the present a request will be made of each pertinent contractor that a copy of their current insurance policy be given to RIVH.

Completion Date: June 2000.

Recommendation Number 20 - Ensure that RIVH maintains an ongoing records management program in accordance with the Rhode Island General Laws.

Response: Accepted.

Corrective Action: RIVH Medical records and business office staff will work with DHS legal staff to develop a records retention and records management system for its medical

records and other public records. However, the RIVH has always had sufficient storage area and has maintained all Medical, Business Office and Accounting Records.

Completion Date: December 2000.